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INTERNET Commerce & Communications DIVISION

Mark Uncapher Senior Vice President & Counsel

February 13,2003

Ms. Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, SW Room TWB-204 Washington, DC 20554

Re: Triennial Review of the Commission's Unbundling Rules CC Docket **Nos.** 96-98, 98-147, 01-338

Dear Ms. Dortch:

Enclosed you will find a copy of the letter that was mailed to Michael K. Powell on February 13, 2003. Please place a copy in the record of the reference proceeding.

Sincerely,

Mark Uncapher

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February 13,2003

The Honorable Michael K. Powell Chairman Federal Communications Commission 445 12th St. SW Washington, DC 20054

Re: Review of the Unbundling Obligations of ILEC s. CC Docket No. 01-338: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996. CC Docket No. 96-98: and Deployment of Wireline Services Offering Advanced Telecommunications, CC Docket No. 98-147

Dear Chairman Powell:

The interests of the American people will be best served by allowing competition to flourish in the telecommunications marketplace. The information technology industry remains entirely unconvinced that relieving the incumbent local exchange carriers of their unbundling obligations will result in significant last mile investments or broadband telecommunications service improvements.

The Information Technology Association of America. representing over 400 leading information technology companies across multiple IT sectors, sees a clear connection between competitive alternatives for local loop interconnection and a vibrant, growing networked economy. ITAA members build e-commerce solutions, enterprise wide intranets and extranets, grid computing environments, interactive television applications and myriad other products and services that depend on ready, affordable broadband access. Steps to kick start the broadband revolution by *hardening* the hold *of* monopoly telephone companies over the telecommunications marketplace will have exactly the opposite effect—raising prices and diminishing service levels.

Even the other side agrees that regulatory relief would fail to generate new investment. Ivan Seidenberg, Verizon's President and CEO, when asked point-blank last week if the

company would revise its 2003 capital expenditure budget if it received the decision it wanted from the FCC admitted that "Verizon wasn't likely to boost its capital spending this year in response to a favorable FCC ruling." (TRDaily, Feb. 4).

Rather than generate new ILEC expenditures, the contemplated revision could lead to numerous court battles, great investor uncertainty and capital flight, and a marketplace chill that could last years.

That's no way to launch a broadband revolution. Instead, we urge the FCC to stay the course on the Telecommunications Act of 1996 and the unbundling of network elements. Ensuring competitive access to all facilities in the local loop and allowing states to maintain the power to set wholesale pricing rates based on local market factors. It's the Only proven path to true competition.

Sincerely,

H.

Harris N. Miller President

cc: Hon. K. Q. Abernathy

Hon. J. S. Adelstein Hon. M. J. Copps

Hon. K. J. Martin

W. Maher, Chief, Wireline Competition Bureau